

## Message Text

LIMITED OFFICIAL USE POSS DUPE

PAGE 01 SEOUL 05279 152232Z

63

ACTION EB-07

INFO OCT-01 EA-06 ISO-00 FEA-01 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 IO-10 /097 W

----- 066341

R 150811Z JUL 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC 1423

INFO AMEMBASSY TOKYO

LIMITED OFFICIAL USE SEOUL 5279

TOKYO FOR REGCUSTATT

E.O. 11652: N/A

TAGS: ETRD KS US

SUBJECT: COUNTERVAILING DUTIES - FOOTWEAR

REF A STATE 156730 B STATE 158382 C STATE 161262

SUMMARY: ACCORDING MINISTRY OF COMMERCE AND INDUSTRY (MCI) OFFICIAL, ROKG WOULD BE SERIOUSLY DISAPPOINTED IF US ACTUALLY IMPOSES COUNTERVAILING DUTIES ON FOOTWEAR FROM KOREA AFTER COOPERATION KOREA HAS DEMONSTRATED IN RESTRAINING RUBBER FOOTWEAR EXPORTS. WHILE ASSURING HIM ROKG'S RECORD OF COOPERATION ON THIS ISSUE WOULD BE TAKEN INTO ACCOUNT, EMBOFF POINTEDOUT THAT , IN BROADER CONTEXT, ROKG CAN BENEFIT BY KEEPING IN MIND THAT ISSUES RELATED TO ITS EXPORT SUBSIDIES AND IMPORT RESTRICTIONS ARE TAKING ON ADDED SIGNIFICANCE AS KOREAN TRADE AND ECONOMY CONTINUES TO EXPAND. END SUMMARY.

1. AT INVITATION KIM CHUL SOO, CHIEF AMERICAN TRADE PROMOTION DIVISION, (MCI), EMBOFF CALLED AT MCI TO DISCUSS  
LIMITED OFFICIAL USE  
LIMITED OFFICIAL USE

PAGE 02 SEOUL 05279 152232Z

RECENTLY ANNOUNCED PRELIMINARY FINDINGS IN COUNTERVAILING DUTY CASES ON IMPORTS OF FOOTWEAR FROM KOREA (SEE REF C).

EMBOFF DREW ON BACKGROUND FURNISHED REF B TO EMPHASIZE:

(1) THAT PUBLICATION OF PRELIMINARY FINDINGS IS PROCEDURAL REQUIREMENT; (2) THAT TREASURY ASSISTANT SECRETARY MACDONALD HAD TAKEN PARTICULAR NOTE OF KOREA'S EXTREMELY COOPERATIVE ATTITUDE DURING INVESTIGATION AND KOREAN ACTION IN 1973 TO RESTRICT EXPORTS TO US OF RUBBER-SOLED FOOTWEAR FOR THREE-YEAR PERIOD; AND (3) THAT MACDONALD HAD INDICATED HE WAS HOPEFUL SATISFACTORY SOLUTION WOULD BE POSSIBLE.

2. IN DISCUSSION OF "DE MINIMIS" CONCEPT, EMBOFF SAID IT IS EMBASSY'S UNDERSTANDING (PER REF CL THAT WHILE BOUNTIES QUITE SMALL, THEY DO NOT APPROACH DE MINIMIS RANGE. IN RESPONSE KIM'S QUESTIONS ABOUT: (1) FINDINGS ON BOUNTIES FOR SPECIFIC CATEGORIES OF FOOTWEAR: AND (2) DETAILS ON PRECEDENTS IN US WITH RESPECT RANGE CONSIDERED TO BE DE MINIMIS, EMBOFF RESPONDED THAT TREASURY IS PLANNING PROVIDE FURTHER TECHNICAL DETAILS TO ROKG REPRESENTATIVES IN WASHINGTON WHICH WILL PRESUMABLY INCLUDE THAT KIND OF INFORMATION.

3. ALTHOUGH EMPHASIZING THAT HE WAS EXPRESSING HIS PERSONAL OPINION, KIM SAID HE WAS CERTAIN ROKG WOULD BE SERIOUSLY DISAPPOINTED IF IT COMES TO POINT THAT COUNTERVAILING DUTIES ARE ACTUALLY IMPOSED, CONSIDERING COOPERATION ROKG AND ITS FOOTWEAR INDUSTRY HAVE EXHIBITED IN AGREEING TO VOLUNTARILY RESTRAIN RUBBER FOOTWEAR EXPORTS TO US. HE ADDED THAT AS FAR AS HE IS AWARE, KOREA IS ONLY COUNTRY WHICH HAS UNDERTAKEN RESTRAINT PROGRAM ON SUCH EXPORTS. CONCEDED THAT COUNTERVAILING DUTIES WOULD BE VERY SMALL, HE BELIEVED IT WOULD STILL BE VERY DIFFICULT TO EXPLAIN TO INDUSTRY AFTER COOPERATION THEY HAD GIVEN.

4. EMBOFF ASSURED KIM THAT USG WOULD TAKE KOREA'S RECORD OF COOPERATION ON THIS ISSUE INTO ACCOUNT, DISCUSSED WAIVER PROVISIONS PROVIDED IN NEW TRADE ACT (INCLUDING LIMITATIONS ON APPLICABILITY TO NON-RUBBER FOOTWEAR CASES) AND REITERATED THAT USG HOPEFUL SATISFACTORY SOLUTION WILL BE POSSIBLE. HOWEVER, EMBOFF ALSO ADDED THAT IT BRINGS UP BROADER POINT THAT, WITH RAPID GROWTH OF KOREAN TRADE, LIMITED OFFICIAL USE  
LIMITED OFFICIAL USE

PAGE 03 SEOUL 05279 152232Z

SUCH QUESTIONS AS NATURE AND SCOPE OF KOREA'S EXPORT SUBSIDIES AND IMPORT RESTRICTIONS ARE TAKING ON ADDED SIGNIFICANCE AND THEY UNDOUBTEDLY WILL INCREASE IN IMPORTANCE AS KOREAN ECONOMY PROCEEDS TO MORE ADVANCED STAGES OF DEVELOPMENT. EMBOFF POINTED OUT THAT USG HAS TAKEN POSITION THAT MTN NEGOTIATIONS SHOULD DEVELOP RULES FOR EXPORT INCENTIVES AND SUBSIDIES IN CONNECTION WITH DEALING WITH ISSUE OF COUNTERVAILING DUTIES. EMBOFF CONCLUDED BY NOTING THAT IT FREQUENTLY CASE THAT CERTAIN TRADE PRACTICES/REGULATIONS DESIGNED TO ACCOMPLISH ROUGHLY SIMILAR OBJECTIVES

ARE MORE ACCEPTABLE TO THE INTERNATIONAL TRADING COMMUNITY  
THAN OTHERS AND THAT KOREA CAN BENEFIT BOTH BY ASSURING THAT  
ITS VIEWPOINTS ARE CONSIDERED IN INTERNATIONAL DISCUSSIONS  
ON THESE SUBJECTS AND BY GIVING AS MUCH WEIGHT AS POSSIBLE  
TO SUCH INTERNATIONAL STANDARDS AS DO EXIST IN DEVISING  
ITS TRADE POLICIES.

5. ACTION REQUESTED: RE KIM'S QUESTIONS NOTED PARA 2  
ABOVE, IT WOULD BE APPRECIATED IF DEPARTMENT ASSURES THAT  
THOSE QUESTIONS ARE ANSWERED EITHER THROUGH KOREAN REPRESENTATIVES  
WASHINGTON OR BY PROVIDING EMBASSY WITH MATERIAL  
WITH WHICH TO RESPOND LOCALLY.  
SNEIDER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOOTWEAR, COUNTERVAILING DUTIES, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 JUL 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** johnsorg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SEOUL05279  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750244-1174  
**From:** SEOUL  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750755/aaaabwwt.tel  
**Line Count:** 128  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 156730, 75 STATE 158382, 75 STATE 161262  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** johnsorg  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 JUL 2003 by BoyleJA>; APPROVED <18 NOV 2003 by izenbei0>; APPROVED <18 NOV 2003 by johnsorg>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COUNTERVAILING DUTIES - FOOTWEAR  
**TAGS:** ETRD, KS, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006